

PART 1
2005 PROGRESS IN ACHIEVING
GOALS AND OBJECTIVES

MARCH 2006

Overview

Part 1 reports on CTED's progress in achieving the goals and objectives identified in its 2005-2009 Washington State Consolidated Plan. This Part 1 also reviews CTED's efforts and resources in 2005 that address priority HUD issues, including Affordable Housing, Homelessness, Continuum of Care, Special Needs, Affirmatively Furthering Fair Housing, Leveraging Resources, and Citizen Participation.

A. Resources Invested

CTED receives HUD funding distributed by formula under the state Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons With AIDS (HOPWA) programs. In addition to these HUD formula funds, other resources summarized in the following tables support of the goals and objectives of the 2005-2009 Consolidated Plan.

Table 1A. Summary of Federal Resources Invested

Program	Source of Funds	State Agency	Grantees	2004 Funding	2005 Funding
HOME / ADDI	HUD	CTED	Units of local /tribal government, nonprofits, public housing authorities	HOME-\$10,408,880 ADDI-\$437,212	HOME-\$10,020,028 ADDI-\$294,191
Weatherization	DOE, Bonneville HHS	CTED	Community action agencies	\$12,449,244	\$12,933,545
CDBG	HUD	CTED	Units of local government/non-entitlement	\$18,651,019	\$17,295,437
ESGP	HUD	CTED	Units of local government, PHAs, nonprofits	\$1,053,000	\$1,349,118
LIHTC	Federal Tax Credits	Housing Finance Commission	For profit and not for profit housing developers	\$13,702,187 Competitive tax credits \$12,193,653 Tax credits on bond financed deals	\$11,336,025 Competitive tax credits \$6,800,000 Tax credits on bond financed deals
PATH	HHS	DSHS	Units of local government	\$1,079,000	\$1,079,000
State Administrative Agency	HUD Fees from manufact'd home sales	CTED	N/A	\$66,283	\$115,257
Supportive Housing Program, S+C, SRO Mod rehab	HUD	CTED	Nonprofits	\$4,368,625	\$3,962,649
HOPWA	HUD	CTED	Nonprofits	\$652,000	\$618,000
TOTAL				\$75,061,103	\$65,803,250

Table 1B. Summary of Non-Federal Resources Invested

Program	Source of Funds	State Agency	Grantees	2004 Funding	2005 Funding
Housing Trust Fund including set-asides	Washington State capital budget	CTED	Nonprofits, units of local government, housing authorities	\$37,344,640	\$57,200,062
Technical Assistance for Housing Projects	Washington State Housing Accounts	CTED	Nonprofits, units of local government, housing authorities	\$476,975	\$194,683
Energy Matchmakers	Washington State capital budget & oil overcharge funds	CTED	Community action agencies	\$4,500,000	\$4,500,000
Emergency Shelter Assistance Program	Washington State general fund	CTED	Nonprofits, units of local government, housing authorities	\$5,231,812	\$5,407,000
Non-Profit Housing (Capital Projects)	Bonds	Housing Finance Commission	Nonprofit providers	\$15,900,000	\$135,205,407
Multi-Family Housing (Capital Projects)	Bonds	Housing Finance Commission	For-profit homebuyers	\$217,995,000	\$254,046,000
Single-Family (House Key Program)	Participating lenders	Housing Finance Commission	First-time homebuyers	\$112,847,546	\$117,292,872
Office of Manufactured Housing	Fee paid to transfer at sale	CTED	None – direct Ombudsman services	\$283,224	\$264,614
Mobile Home Relocation Assistance Program	Fee paid for manufact'd homes purchased inside parks.	CTED	Homeowners required to relocate due to park closures	\$542,542	\$556,305
Manufactured Housing Installer Program	Fees for initial training & rectification	CTED	None	\$102,187	\$ 62,272
Transition Housing Operating and Rental Assistance (THOR)	State General Fund	CTED	Nonprofits, units of local government, and housing authorities	\$2,375,000	\$2,375,000
TOTAL				\$397,600,930	\$577,101,220

B. Assessment of Progress in Achieving Goals and Objectives

CTED's 2005-2009 Washington State Consolidated Plan contains a Strategic Plan that outlines the goals, objectives and strategies for addressing housing and community development needs in the state. The goals, objectives and strategies are based on both the following CTED Key Goals, as identified in CTED's 2005 Strategic Plan, and HUD's Statutory Program Goals:

CTED Key Goals

1. Grow a diversified and sustainable economy.
2. Advance the health, safety and social well being of families and communities.
3. Protect and enhance Washington's cultural and natural heritage.
4. Be a results-oriented, world-class agency whose leadership and vision are valued by its customers.

HUD Statutory Program Goals

CTED's key goals are consistent with and support the HUD goals identified in Title 1 of the Housing and Community Development Act of 1974 (as amended):

1. Decent Housing
2. A suitable living environment
3. Expanded economic opportunity

The complete Strategic Plan within the 2005-2009 Consolidated Plan is available on CTED's website at <http://www.cted.wa.gov/cdbg> or upon request from CTED.

Performance Measures from the 2005-2009 Consolidated Plan

The CAPER's assessment on the annual progress in achieving the goals and objectives includes a report on the performance measures identified in the Consolidated Plan and reviews the resources invested. This assessment is organized by the following housing and community development populations or areas of need:

1. Homeless	5. Community Development
2. Special Needs	6. Economic Development
3. Rental Housing	7. Fair Housing
4. Owner Housing	

CTED collected data from internal tracking systems as well as from outside organizations such as the Washington State Housing Finance Commission. The cooperation of all organizations that contributed to the preparation of the 2005 CAPER is deeply appreciated.

1. Addressing Homelessness and Continuum of Care

State Homelessness Housing and Assistance Act

In June 2005 the Washington State Legislature passed the Homelessness Housing and Assistance Act, which requires:

- Counties and the state to develop ten year plans to reduce homelessness by 50 percent.

- Performance measurement of efforts at all levels, including an annual point in time count of homeless persons.
- Implementation of HMIS throughout the state including a component of continuous case management.

To help fulfill these responsibilities, the Act created a dedicated revenue source amounting to about \$15 million/year, split between the counties and CTED. The Act provides a framework of responsibility and funding to do performance measurement and planning at the local level, and to bring together historically disparate homeless resources under a common plan.

Point in Time Count of Homeless Persons

CTED successfully organized a point in time count of homeless persons in the Balance of State Continuum of Care in 2005. Due to the passage of the state Homelessness Housing and Assistance Act, starting in January 2006 CTED is now legally responsible for organizing the required counts in every county.

The statewide counts collect not only information on the numbers of homeless persons, but also information on disabilities, length of time homeless, location where they became homeless, income, and veterans' status. This rich source of data is directly feeding into the now state mandated county-level ten year plans to reduce homelessness by 50 percent.

Homeless Management Information System

The CTED Balance of State, Seattle/King County, and Snohomish County continuums of care have continued their joint effort to implement a common HMIS software system. The HMIS Collaboration has led to overall increased coordination between the three continuums, and will serve as a foundation for further cooperative efforts to address homelessness.

Table 1C. Excerpted from Con Plan HUD Table 1C: Summary of Specific Homeless Needs Objectives

Obj No.	Specific Objectives	Performance Measures	Expected Units	Actual Units
	Homeless Objectives			
2.B.	Increase the opportunities available to very low-income, homeless and special needs households to achieve stable, affordable housing.	Develop transitional and/or supportive housing units for people who are homeless, including survivors of domestic violence.	12 annually	25
2.B.	Increase the opportunities available to very low-income, homeless and special needs households to achieve stable, affordable housing.	Provide bed nights of emergency shelter for homeless individuals and youth using resources from all available funds.	1.2 million annually	1.2 million

2.B.	Increase the opportunities available to very low-income, homeless and special needs households to achieve stable, affordable housing.	The percentage of homeless persons returning to emergency shelter within 2 years of their initial intake is significantly reduced over the next 5 years.	15 percent reduction	HMIS not fully deployed. Do not have data at this time
2.B.	Increase the opportunities available to very low-income, homeless and special needs households to achieve stable, affordable housing.	The percentage of homeless persons with increased income at program exit is significantly increased over the next 5 years.	40 percent increase of HHs	HMIS not fully deployed. Do not have data at this time

Table 1D. Summary of Program Assistance (Shelter and Services) Provided to People Who are Homeless*

Source of Funds	2004 Funding	2005 Funding	Number of Units or Households Assisted	Other Funds Leveraged
ESGP (federal)	\$1,349,118	\$1,363,415	12,551 individuals	0
THOR (state)	\$2,375,000	\$2,375,000	1275	0
ESAP (state)	\$5,190,001	\$5,407,000	95,106	0
Housing Trust Fund	\$6,787,552	\$6,255,000	198	\$25,020,000
Supportive Housing Program	\$2,153,409	\$3,962,649	660	0
CDBG (federal)	\$66,385	\$890,000	89	\$4,992,309
TOTAL	\$17,923,469	\$19,365,959		

*Some duplication of number of units among fund sources

2. Addressing Special Needs

Table 1E. Excerpted from Con Plan UD Table 1C: Summary of Specific Special Needs Objectives

Obj No.	Specific Objectives	Performance Measures	Expected Units	Actual Units
	Special Needs Objectives			
2.B.	Increase the opportunities available to very low-income, homeless and special needs households to achieve stable, affordable housing.	Provide HIV/AIDS households with rental assistance.	100	56
2.B.	Increase the opportunities available to very low-income, homeless and special needs households to achieve stable, affordable housing.	Provide homeless households or special needs households at 0 to 50 percent with rental assistance.	240	343

Table 1F. Summary of Program Assistance Provided to People with Special Needs*

Source of Funds	2004 Funding	2005 Funding	Number of Units or Households Assisted	Other Funds Leveraged
Housing Trust Fund**	\$6,641,646	\$36,436,603	1,457	\$145,745,412
Developmental Disabilities	\$3,342,053	\$3,481,734	72	\$6,963,468
HOME**	\$4,801,565	\$6,427,654	704	\$23,985,933
Housing Opportunities for People with AIDS	\$652,000	\$618,000	400	0
CDBG	\$1,348,000	\$1,089,528	40	\$3,389,512 <i>including HTF</i>
Supportive Housing Program	\$750,000	\$503,638	127	0
TOTAL	\$17,537,268	\$48,557,157		

*Some duplication of number of units among fund sources

**Includes units for Chronically Mentally Ill, Elderly, Youth, Farm Workers, People with Substance Abuse, Persons with HIV/AIDS, Survivors of Domestic Violence, and Physically Disabled.

3. Addressing Rental Housing

Table 1G. Excerpted from Con Plan HUD Table 2C: Summary of Specific Housing Objectives

Obj No.	Specific Objectives	Performance Measure	Expected Units	Actual Units
	Rental Housing Objectives			
2.A.	Increase the capacity of housing providers to develop and manage low-income housing more effectively and efficiently.	Develop multi-family rentals for small and large related and all other households at 30 percent or below of the area median income.	57	4
2.A.	Increase the capacity of housing providers to develop and manage low-income housing more effectively and efficiently.	Develop multi-family rentals for small and large related and all other households at 31 to 50 percent or below of the area median income.	41	266
2.A.	Increase the capacity of housing providers to develop and manage low-income housing more effectively and efficiently.	Develop multi-family rentals for elderly households at 30 percent or below of the area median income.	24	0
2.A.	Increase the capacity of housing providers to develop and manage low-income housing more effectively and efficiently.	Develop multi-family rentals for elderly households at 31 to 50 percent or below of the area median income.	35	357
2.A.	Increase the capacity of housing providers to develop and manage low-income housing more effectively and efficiently.	Develop multi-family rentals for elderly households at 51 to 80 percent or below of the area median income.	3	0

1.G.	Increase the availability of safe, affordable housing for migrant and seasonal farm workers and their families.	Develop permanent (year round) farm worker housing.	60	203
1.G.	Increase the availability of safe, affordable housing for migrant and seasonal farm workers and their families.	Develop seasonal housing for migrant farm workers.	300 beds	309
1.G.	Increase the availability of safe, affordable housing for migrant and seasonal farm workers and their families.	Provide emergency shelter for migrant farm workers.	1,000 bednights	850 bednights
2.B.	Increase the opportunities available to very low-income, homeless and special needs households to achieve stable, affordable housing.	Provide rent assistance to households at 30 percent or below of the area median income.	710 households	803 households
2.B.	Increase the opportunities available to very low-income, homeless and special needs households to achieve stable, affordable housing.	Provide rent assistance to households at 31 to 50 percent of the area median income with rental assistance.	90 households	96 households
2.B.	Increase the opportunities available to very low-income, homeless and special needs households to achieve stable, affordable housing.	Provide rent assistance to households who are homeless or have special needs and are at 0 to 50 percent the area median income.	240 households	300 households

Table 1H. Summary Of Resources Invested In Programs To Support Low-Income Renters*

Source of Funds	2004 Funding	2005 Funding	Number of Units or Households Assisted	Other Funds Leveraged
HOME (federal)	\$6,045,004	\$5,400,453	268	\$22,849,990
Housing Trust Fund	\$34,178,108	\$53,409,912	2,106	\$213,639,648
LIHTC	\$25,895,840	\$18,136,025	3,020	\$20,000,000
US DOE	\$2,223,002	\$2,797,731	674	0
HHS	\$3,272,241	\$3,683,681	888	0
BPA (Carryover)	\$837,246	\$1,049,111	253	0
CDBG	\$0	\$439,528	40	\$2,524,854
Energy Matchmakers	\$2,203,279	\$2,760,818	665	\$2,760,818
TOTAL	\$74,656,724	\$87,667,259		

*Some duplication of # of units among fund sources

4. Addressing Owner Housing

Table 1I. Excerpted from Con Plan HUD Table 2C: Summary of Specific Housing Objectives

Obj No.	Specific Objectives	Performance Measure	Expected Units	Actual Units
	Owner Housing Objectives			
2.G.	Promote homeownership opportunities statewide for people at or below 80 percent of the median income.	Assist households at 31 to 50 percent of the area median income who are disabled become first time homebuyers.	50 households	8
2.G.	Promote homeownership opportunities statewide for people at or below 80 percent of the median income.	Assist minority households at 0 to 80 percent of the area median income become first time homebuyers.	14 households	3

1.F	Fund and promote investment in home energy conservation and other sustainable building practices that preserve affordable housing and conserve local and state resources.	Preserve owner-occupied single family homes for households at 30 percent or below of the area median income.	100 households	110
1.F	Fund and promote investment in home energy conservation and other sustainable building practices that preserve affordable housing and conserve local and state resources.	Preserve owner-occupied single family homes for households 31 to 50 percent of the area median income.	100 households	214
2.F.	Strengthen local capacity to maintain affordable home ownership.	Provide mobile home park homeowners at 80 percent or below of the area median income with relocation assistance.	6 to 10 households	120

Table 1J. Summary of Resources Invested in Programs to Support Low-Income Homeowners*

Source of Funds	2004 Funding	2005 Funding	Number of Units or Households Assisted	Other Funds Leveraged
HOME (ADDI)	\$437,212	\$4,572,174	258	\$5,784,788
Housing Trust Fund	\$3,166,532	\$3,785,150	159	\$15,140,600
US DOE	\$2,223,002	\$2,797,731	674	0
HHS	\$3,272,241	\$3,683,681	888	0
BPA (Carryover)	\$837,246	\$1,049,111	253	0
Energy Matchmakers	\$2,203,279	\$2,760,818	665	\$2,203,000
CDBG	\$3,142,210	\$2,284,708	142	\$4,435,235
Mobile Home Relocation Assistance Program	\$542,542	\$938,135	120	0
TOTAL	\$15,826,268	\$17,805,293		

*Some duplication of number of units among fund sources

5. Addressing Community Development

The Community Development Block Grant (CDBG) program is CTED's source of HUD funding to address community development objectives. Part 4 of this CAPER reports on the CDBG Program, provides more detail on these performance measures, describes the specific uses of the CDBG resources in 2005.

Table 1K. Excerpted from Con Plan HUD Table 2C: Summary of Specific Community Development Objectives

Obj No.	Specific Objectives	Performance Measure	Expected Units	Actual Units
	Community Development Objectives			
1.A.	Improve land use and capital facilities planning and investment to support a sustainable economy.	The CDBG Program will maintain or exceed an annual 1:1.85 leveraging ratio with funds or resources from other sources.	1:1.85 leveraging ratio	1:1.96
1.B.	Increase community readiness and leadership capacity for development by supporting adequate infrastructure.	Increase the average Need/Capacity/Readiness Ratio score of CDBG General Purpose Grant and Community Investment Fund applications from 78 in 2004 to 80 in 2005.	Ratio score of 80	75
1.D.	Improve the ability of small communities to secure funding and effectively manage capital projects.	Based on historic funding trends and proposed funding allocations, CTED anticipates funding and managing about 67 CDBG projects, as listed by fund in the 2005 Action Plan.	67 CDBG projects	67
2.C.	Increase the capacity of communities to serve low-income individuals and families who do not have the resources to meet their needs.	Approximately 90% of CDBG funds will be awarded to projects that principally benefit low- and moderate-income persons.	90% overall LMI benefit	99%
1.A.	Improve land use and capital facilities planning and investment to support a sustainable economy.	Fund and manage at least 22 planning grants.	22 planning projects	22
2.E.	Protect public health and safety by requiring and funding a safe and healthy	Complete an assessment of the appropriate fund allocation level for CDBG	2 urgent need projects	1

	built environment.	Imminent Threat Grant.		
3.A. 1.B.	Promote and preserve Washington's cultural and natural assets.	Fund at least 7 projects listed as a top three priority on the county's WACERT lists.	7 projects	10
1.D.	Improve the ability of small communities to secure funding and effectively manage capital projects.	Offer at least 2 CDBG Grant Management Workshops, with one on the eastside and one of the westside of the state.	2 workshops	2 workshops
	Infrastructure Objectives	(included above)		
	Public Facilities Objectives	(included above)		
	Public Services Objectives			
2.C. 2.B.	Increase the capacity of communities to serve low-income individuals and families who do not have the resources to meet their needs.	Fund and manage at least 10 public service grants.	10 public service projects	12

6. Addressing Economic Development

The Community Development Block Grant (CDBG) program is CTED's source of HUD funding to address economic development objectives. Part 5 of this CAPER reports on the CDBG-supported economic development loan fund program, provides more detail on these performance measures, and describes the specific uses of these resources in 2005.

Table 1L. Excerpted from Con Plan HUD Table 2C: Summary of Specific Economic Development Objectives

Obj No.	Specific Objectives	Performance Measure	Expected Units	Actual Units
	Economic Development Objectives			
1.C. 1.B. 2.D.	Increase business recruitment, retention and expansion in Washington State.	Complete an assessment of local revolving loan funds and establish performance measures for 2006-2009.	To be determined	N/A in 2005
1.E. 1.B.	Increase business recruitment, retention and expansion in Washington State.	Issue at least \$1.5 million in new Rural Washington Loan Fund loans.	\$1.5 million	\$500,000 issued in 2005

2.D. 1.C.	Advance the educational and economic opportunities of low-income and vulnerable families in Washington State.	Measure the number of jobs created/retained at or above the county average wage for the counties in which loans are made, and set a target goal of more than 50% of jobs created/retained at or above the county average wage.	% of jobs created/retained above average county wage	54%
1.D.	Improve the ability of small communities to secure funding and effectively manage capital projects.	Increase the amount of float loans outstanding to at least \$5 million.	\$5 million in outstanding float loans	\$10,655,000 outstanding as of 12/31/05
1.B. 1.C.	Increase community readiness and leadership capacity for development by supporting adequate infrastructure.	Issue at least \$5 million in new HUD Section 108 loans.	\$5 million in Section 108 loans	\$0 issued in 2005

1. Affirmatively Furthering Fair Housing

Accomplishments in this area include:

- The state CDBG program requires all local government grant recipients to complete activities listed in the CDBG Grant Management Handbook that promote fair housing in the administration and implementation of their programs. In 2005, the CDBG Program staff included Fair Housing compliance reviews during their on-site monitoring of local projects.
- CTED has begun developing a Fair Housing site on its webpage that would provide links to HUD and the state Human Rights Commission's resources.

Updating Performance Measures

The performance measures reported in this Part 1 are based on the 2005-2009 Consolidated Plan. However, CTED is currently updating both its strategic plan goals/objectives and the process for measuring its progress in meeting these goals/objectives based on both national and state initiatives. The Council of State Community Development Agencies (COSCDA), of which CTED is a member, spearhead an effort with several other national organizations of local and state grantees to refine a "Performance Outcome Measurement" system framework. The effort, which is in response to HUD's Community Planning and Development (CPD) Notice 03-09, has led to a comprehensive approach to the measurement of outcomes for HUD's four major community development formula grant programs: Community Development Block Grants, HOME Investment Partnerships Program, Emergency Shelter Grants, and Housing opportunities for Persons with AIDS. The system includes objectives, outcomes and indicators for each type of activity undertaken with funds made available from these programs. CTED has begun integrating its state-specific performance measures with this national system. Implementing this initiative has begun in 2006, with full implementation for 2007.

A parallel state performance measurement system is also being developed for implementation in 2006 through the state Government Management, Accountability and Performance (GMAP) initiative. CTED is developing a new Strategic Plan and intends that the new performance measures and system of collecting and evaluating performance data will ultimately cover all state and federally funded housing and community development programs administered by CTED. The new system will be implemented in incremental stages since we have several existing databases and reporting practices needing necessary modification. CTED will ensure that a workable transition plan will be part of the overall effort.

C. Leveraging Resources

In 2005, CTED evaluated and analyzed each proposal for HOME funds to ensure that a minimum federal subsidy is being used to develop each project and that federal funds will effectively leverage additional resources. Each proposal was required to describe sources and uses for all project financing and to provide a line-item development budget and/or an operating pro forma. CTED looked for opportunities to leverage other non-federal funds, if available, and to use other federal subsidies identified for development and on-going operations, if appropriate. For example, in HOME, other federal subsidies will be used if such subsidies help to maintain affordable housing projects by providing sufficient reserves for both replacement and operating costs.

HOME eligible match sources were tracked on a project basis and reported annually. Match sources can include state HTF, Energy Matchmakers, Bonneville Power Administration and other utility funds, and some other private and public funds that meet HOME match requirements and when targeted to HOME-eligible activities.

Matching requirements for ESG were met by funds identified by local jurisdictions that are committed to housing and services for the homeless. No match is required for HOPWA.

While the CDBG program has no match requirements, leveraging was strongly encouraged through the rating and selection process. Funds leveraged by the CDBG program are tracked on a project basis and reported in the Part 4 CDBG Program section.

D. Citizen Participation

The 2005-2009 Consolidated Plan establishes the citizen participation plan for performance reports. Following this plan, the state sent email notices to interested parties on distribution lists maintained by the Housing, Local Government and Economic Development Divisions, and published newspaper notices on March 2, 2006 announcing a 15 day public comment period and the availability of the draft

2005 CAPER. The draft 2005 CAPER was made available on CTED's website and upon request during the entire public comment period. The final CAPER is now available on CTED's website at www.cted.wa.gov/cdbg and upon request. The report is also available in alternative format upon request.

Comments received

1. Greg Provenzano from Columbia Legal Services submitted comments regarding the 2005 CAPER. He expressed concerns regarding CTED's collection and reporting of data regarding services provided to extremely low-income households. He also noted the need to identify and address barriers to serving extremely low-income households. The letter, as well as CTED's response, is noted below:

Washington State Department of Community
Trade and Economic Development
Post Office Box 42525
Olympia WA 98504-2525

Attention: Kristen Carmichael

Re: Draft 2005 Washington State Consolidated Annual Performance and Evaluation Report

Dear Ms. Carmichael:

Introduction

We are writing to comment on the draft 2005 Washington State Consolidated Annual Performance and Evaluation Report. Not surprisingly, these comments are similar to and should be read in conjunction with the comments we made in November 2004 on the draft Washington State HUD Consolidated Plan for 2005-2009.

The gist of our comments remains the same. The Department should target more of our federal and state housing and community development funds to those with the most severe housing problems: extremely low-income households, particularly those who are homeless, renters, or have special needs.

The draft report fails to provide the data needed to assess whether or not the Department is moving in this direction. This is a violation of HUD regulations and an impediment to the type of public discourse needed to make the policy changes we have been suggesting.

The Department's Data Collection and Performance Reporting Needs Further Improvement

Given our past comments, we remain perplexed that the Department's annual performance reports fail to adequately report the number of extremely low-income households being served by our various federal and state funded housing and community development programs. As we have noted previously, we need this historical data to see whether or not the Department is moving in what we consider to be the right direction.

In June 2003, we sent comments to the Department on its draft 2002 Washington State Consolidated Annual Performance and Evaluation Report. In these comments, we noted that the agency's report failed to identify who it served by income level and tenure. We asked that the Department release information showing which households were actually being served as required by HUD regulations, including 24 C.F.R. § 91.520 and other program guidance.

The following year, we submitted comments on the draft 2003 Washington State Consolidated Annual Performance and Evaluation Report. In these comments, we applauded the agency for announcing plans to improve its data collection and reporting systems. We also acknowledged that this report did a much better job than the previous year's in reporting who we served by income category, but that further improvement was needed.

When we reviewed the draft 2005 CAPER, we were disappointed to see that the Department had not in fact improved its data collection and reporting systems. This report contains little to no information about which households were served, by income category. While there is some limited information in Table 1 G, there was absolutely nothing reported in the Part 2 narrative on the 2005 HOME Program.

After reviewing the draft, I immediately contacted Doug Hunter, the HOME Program Manager, to make sure that I had the most recently available data. While he provided me with some additional information, it was not sufficient to assess what progress, if any, the agency had made in improving its data collection and reporting systems, or more importantly in serving those most in need. We are asking that the Department comply with the requirements of 24 C.F.R. § 91.520. To the extent that this is not presently possible, we ask that it provide us with a timetable and its plans for doing so.

The Department Should Identify and Address the Barriers That Have Historically Prevented It from Serving a Greater Number of Extremely Low-Income Households.

The draft CAPER provides no indication that the Department is taking any steps to respond to our previous comments. We see no evidence that the Department is targeting a greater percentage of our federal and state housing and community development funds towards those with the most severe housing needs. Nor was there any indication that the Department has undertaken a study as we suggested, identifying and addressing the barriers that have historically prevented the agency from serving a greater number of extremely low-income households. We would like an explanation of why the Department feels that such steps are unwarranted.

In the last six months, Stephen Buxbaum, the Assistant Director for Housing, announced that the agency was taking steps to change how it awarded HOME funds. As I understood it, the Department plans on targeting more of these funds towards meeting the housing needs of our lowest income residents and most economically depressed communities. We welcome this change in emphasis. We saw nothing, however, in the CAPER confirming this change in emphasis.

We also want to see some evidence that more of our state housing trust fund monies are going to address the housing needs of our lowest income residents. Several years ago, the Washington Legislature enacted SHB 2060 providing operating and maintenance revenues for HTF units occupied by extremely low-income households. We saw this as an important development as the lack of such

subsidies had previously been identified as a major barrier to providing housing for our lowest income residents.

We were hoping that DCTED would take steps to get the SHB 2060 money out the door so that more extremely low-income households could in fact rent HTF units without being substantially rent overburdened. This proved not to be the case. The result has been that a significant portion of these funds has now been diverted by HB 2418 to other uses and that this could portend future attempts to direct these revenues elsewhere.

We ask that the Department take a more aggressive approach in soliciting applications for its rent buy-down program. We found it astonishing that the Department only got some 18 applications and that none of these came from two of our largest counties, including Snohomish and Thurston counties. We believe the Department can do more to identify existing HTF projects and units that could be made available to our clients by making SHB 2060 funds available to these projects.

Conclusion

In summary, we are asking that the Department revise its 2005 CAPER and provide further information as to which households, by income category, were actually served through its various federal and state funded housing and community development programs. To the extent that this is not feasible, we ask that the Department report on its timeframe and plans for improving its data collection and reporting system so that it can comply in the future with the requirements of 24 C.F.R. § 91.520.

As we have noted in the past, there will always be some disagreement as to how much of our various housing and community development resources should be targeted towards particular households. This, however, is an important topic of public discussion that cannot take place unless the agency tracks this information and distributes it in a timely manner. We are asking that the Department provide the information needed so that this public discourse can take place.

The Department should immediately begin moving forward with its plans to target more of its HOME funds towards addressing the housing needs of our lowest income residents. We also strongly encourage the Department to explicitly identify and address the barriers that has historically prevented it from serving a greater number of our extremely low-income residents, particularly those who are homeless, renters, or who have special needs.

Lastly, we believe the Department could address one of the barriers that has prevented our housing developers from serving our lowest income residents, by more aggressively marketing its rent buy-down program. By doing so, DCTED could immediately increase the number of HTF projects and units serving our lowest income residents and make significant progress towards ending homelessness.

Sincerely,

Columbia Legal Services

/s/ Gregory D. Provenzano

Gregory D. Provenzano
Nick Straley
Attorneys at Law

CTED's response to Columbia Legal Services

Data and Reporting

CTED continues to refine its collection and reporting of data related to the use of HUD funds for affordable housing. The 2005-2009 Consolidated Plan format, unlike the previous five-year plan, focuses less on providing data related to state-funded affordable housing efforts and more on the programs financed by HUD. The focus of data included in the 2005 CAPER is thus primarily related to the HUD program-related expenditures during 2005. The data presented in Table 1G of the 2005 CAPER, for example, reflects only HUD-financed units and does provide details regarding the tenure and income level of the households assisted.

The summary of the HOME Program activities in Part 2 of the 2005 CAPER now includes some reformatted FY 2005 data to address the concern noted by Columbia Legal Services. This information regarding household tenure and income was included in numerous tables in Part 1 of the draft CAPER. The final CAPER now includes the same info in Part 1 and a reformatted version of the data in a single table (Table 1 of Part 2). The information was collected from HUD's Integrated Disbursement Information System (IDIS) and includes detailed tenure and household income. We hope that this revised presentation will address some of the concerns noted.

Address Barriers

CTED continues to improve its targeting of HOME Program funds to extremely low-income households. Table 1 notes that over 68% of the units noted as completed in IDIS in 2005 were targeted to extremely low-income (<30% AMI) households. The table also notes that historically, 77% of the HOME-assisted households are extremely low-income.

As noted in CTED's 2006 Action Plan, the HOME General Purpose (GP) Program will serve extremely low-income households, with a focus on homeless and special needs populations. This change is not reflected in the 2005 CAPER but will be reported in the 2006 CAPER. We expect to work closely with local governments to identify local needs and partner with them to create solutions that assist our most vulnerable populations.

CTED continues to refine the Operation and Maintenance (O & M) Program created by SHB 2060 that targets assistance to projects serving extremely low-income households. Over 450 units of affordable housing for extremely low-income households has been subsidized to date and a recent rent buy-down application will create up to 527 more units. The program also works closely with the Housing Trust Fund (HTF) to identify existing and new projects that need O & M Program assistance to provide affordable housing for extremely low-income households. Additional award of funds for the O & M rent buy-down program will be considered once the spring round of the HTF application process is completed.